



*United States Attorney  
Southern District of New York*

**FOR IMMEDIATE RELEASE  
MAY 11, 2009**

**CONTACT: U.S. ATTORNEY'S OFFICE  
YUSILL SCRIBNER,  
REBEKAH CARMICHAEL,  
JANICE OH  
PUBLIC INFORMATION OFFICE  
(212) 637-2600**

**MARC DREIER PLEADS GUILTY TO FRAUD**

LEV L. DASSIN, the Acting United States Attorney for the Southern District of New York, announced that MARC DREIER, the former managing partner of the New York law firm Dreier LLP, pleaded guilty today to all eight counts contained in the superseding Indictment previously filed against him in Manhattan federal court. According to the superseding Indictment:

DREIER was the founder and managing partner of Dreier LLP, a law firm that, along with its affiliates, employed more than 250 attorneys with its principal office in New York City and additional offices in Los Angeles and elsewhere in the country.

From approximately 2004 through December 2008, DREIER conspired to engage in securities and wire fraud involving: (a) the sale of fake notes purportedly issued by a New York real estate developer; (b) the sale of fake notes purportedly issued by a Canadian pension plan and guaranteed by another Canadian company; (c) the sale of fake notes purportedly issued by the same Canadian company and guaranteed by the same Canadian pension plan; and (d) the embezzlement of Dreier LLP client funds. In furtherance of the note-sale scheme DREIER, among other things, supplied purchasers and prospective purchasers with false documentation, including false financial statements, assignments and guarantees. In addition, DREIER also impersonated, or arranged for others to impersonate, representatives of the purported issuers and sellers in telephone conversations, e-mail exchanges and meetings, and to this end even gained unauthorized entry into the premises of the New York developer and the Canadian pension plan. In order to carry out the fraud, DREIER directed his victims to wire funds into a Dreier LLP attorney trust account, from which he later disbursed the funds both to reap the benefits of the fraud and to promote its continued operation. DREIER also misappropriated funds from clients of Dreier LLP including, for example, money in an escrow account and funds obtained in the settlement of a client lawsuit. During the course of the scheme, DREIER collected more than \$700 million

through the sale of fictitious promissory notes, a portion of the principal and interest of which he paid. The total out-of-pocket losses suffered by purchasers of the various fake notes and by law firm clients whose funds were misappropriated exceed \$400 million.

DREIER pleaded guilty today to one count of conspiracy to commit securities and wire fraud; one count of securities fraud; five counts of wire fraud; and one count of money laundering based on financial transactions he undertook using proceeds of the securities and wire frauds, to promote the frauds. The superseding Indictment also seeks forfeiture of the proceeds of the fraud offenses and property derived therefrom, including real estate, a yacht, and a number of works of art specified in the superseding Indictment.

There is no plea agreement between the Government and DREIER.

The conspiracy count carries a maximum sentence of 5 years in prison and a maximum fine of the greater of \$250,000 or twice the gross gain or loss from the offense. The securities fraud count carries a maximum sentence of 20 years in prison and a fine of \$5 million. Each wire fraud count carries a maximum sentence of 20 years in prison and a fine of the greater of \$250,000 or twice the gross gain or loss from the offense. The money laundering count carries a maximum sentence of 20 years in prison and a fine of the greater of \$500,000 or twice the value of the property involved in the money laundering. DREIER faces a total maximum term of imprisonment of 145 years on all eight counts of the superseding Indictment.

DREIER, 58, resides in New York, New York. He is scheduled to be sentenced by United States District Judge JED S. RAKOFF at 5 p.m. on July 13, 2009.

Mr. DASSIN praised the work of the Criminal Investigators of the United States Attorney's Office and thanked the United States Securities and Exchange Commission for its assistance in the case.

Assistant United States Attorneys JONATHAN R. STREETER, SHARON COHEN LEVIN, and ANNA ARREOLA are in charge of the prosecution.

09-138

###